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CLASS COUNSEL

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

JAMES RAFTON, TRUSTEE OF THE
JAMES AND CYNTHIA RAFTON TRUST,

Plaintiff,

v.

RYDEX SERIES FUNDS; PADCO
ADVISORS INC. d/b/a RYDEX
INVESTMENTS, INC.; RYDEX
DISTRIBUTORS, INC.; RICHARD M.
GOLDMAN; CARL G. VERBONCOEUR;
JOHN O. DEMARET; NICK BONOS;
MICHAEL P. BYRUM; COREY A.
COLEHOUR; J. KENNETH DALTON;
WERNER E. KELLER; THOMAS F. LYDON;
PATRICK T. MCCARVILLE; ROGER
SOMERS; and DOES 1 through 25, inclusive,

Defendants.

No. CV 10-01171 LHK

Action Filed: March 19, 2010

REPORT REGARDING NOTICE AND
FINAL APPROVAL SCHEDULE

1 Pursuant to the Court's Order dated November 14, 2011, Lead Plaintiffs James Rafton
2 and James Darst report on the status of notice and scheduling of the Final Approval Hearing as
3 follows:

4 Merrill Lynch has already provided its Rydex Series Funds customer data to Garden City
5 Group, Inc. ("GCG"), and individual notices to Merrill Lynch customers were mailed on
6 November 15, 2011.

7 GCG began sending out individual notices to potential class members on a rolling basis
8 by first class mail on October 26, 2011 with the mailing of 14,296 individual notices.

9 As of the filing of this Report, GCG had mailed a total of 62,778 individual notices.
10 Approximately 24,000 additional notices are in preparation for mailing no later than November
11 18, 2011.

12 As of the filing of this Report, only three broker dealers or financial advisors
13 ("Intermediaries"), having a total of 214 individual accounts, have not completed the process of
14 providing data to GCG. Each has represented that it is in the process providing the data, which
15 could be available as early as November 16, 2011, allowing GCG to complete individual mailing
16 of notice by first class mail as planned by November 18, 2011.

17 In the event that any of these Intermediaries has not provided their data to GCG or made
18 alternative arrangements acceptable to GCG by close of business November 16, 2011, Lead
19 Plaintiffs will file an administrative motion for order to show cause why the Intermediary should
20 not be sanctioned for failing to comply with the Court's Order Granting Unopposed Motion For
21 Preliminary Approval Of Proposed Class Settlement And Approval Of Notice Plan (Dkt. No. 99)
22 entered on September 13, 2011 (the "Preliminary Approval Order").

23 In summary, GCG will have given individual notice by first class mail to at least 99.8%
24 of the identifiable potential class members no later than November 18, 2011. Depending upon
25 the date of mailing, potential class members will have had between 27 and 50 days' notice prior
26 to the December 15, 2011 deadline to object to the settlement or exclude themselves from the
27 class. In addition, GCG published notice of the settlement in Investor's Business Daily and over
28 PR Newswire on November 10, 2011 as provided in the Court's Preliminary Approval Order.

1 Under these circumstances, Lead Plaintiffs believe that there is no need to modify the
2 briefing schedule or continue the Final Approval Hearing. We have provided this information to
3 Defendants' counsel and they concur in this conclusion.

4 Dated: November 15, 2011

Respectfully Submitted,

5 ALAN W. SPARER
6 MARC HABER
7 JAMES S. NABWANGU
SPARER LAW GROUP

8 By: /s/ Alan W. Sparer
9 ALAN W. SPARER

10 CLASS COUNSEL
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